

## EUROPEAN UNION

Tariffs

Currency: European Currency  
Unit (ECU)

HS Code	Description	Autonomous	Conventional Ad Valorem
2401.10	Flue-cured, Virginia type	23;Minimum 28 Ecu Maximum 30 Ecu/100kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20	Light Air-cured Burley Types	23;Minimum 28 Ecu Maximum 30 Ecu/100kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.30	Light Air-cured Maryland Type	23;Minimum 28 Ecu Maximum 30 Ecu/100kg/net	19,9 Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.41	Fire-cured, Kentucky Type	23;Minimum 28 Ecu Maximum 30 Ecu/100kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.49	Other Fire-cured	23;Minimum 28 Ecu Maximum 30 Ecu/100kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.50	Light Air-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1 Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.60	Sun-cured Oriental type Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1 Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.70	Dark Air-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1 Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.80	Flue-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1 Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.90	Other	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1 Minimum 24 Ecu Maximum 61 Ecu/100 kg/net

2401.20.10	Flue-cured, Virginia Type	23;Minimum 28 Ecu Maximum 30 Ecu/100 kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20.20	Light Air-cured Burley Type	23;Minimum 28 Ecu Maximum 30 Ecu/100 kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20.30	Light Air-cured Maryland Type	23;Minimum 28 Ecu Maximum 30 Ecu/100 kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20.41	Fire-cured, Kentucky Type	23;Minimum 28 Ecu Maximum 30 Ecu/100 kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20.49	Other Fire-cured	23;Minimum 28 Ecu Maximum 30 Ecu/100 kg/net	19,9;Minimum 24 Ecu Maximum 26 Ecu/100 kg/net
2401.20.50	Light Air-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.20.60	Sun-cured Oriental Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.20.70	Dark Air-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.20.80	Flue-cured Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.20.90	Other Tobacco	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2401.20.30	Tobacco Refuse	14;Minimum 28 Ecu Maximum 70 Ecu/100 kg/net	12,1;Minimum 24 Ecu Maximum 61 Ecu/100 kg/net
2402.02.10	Cigars, Cheroots, and Cigarillos	52	34,7

2402.02.20	Cigarettes Containing Cloves	180	36,7
2402.02.90	Other	180	68,4
24.03.10	Smoking Tobacco, whether or not Containing Tobacco Substitutes	180	88,9
24.03.91	Homogenized or Reconstituted Tobacco	40	19,7
24.03.99	Chewing Tobacco and Snuff	100	49,4
24.03.99.90	Other	40	19,7

# European Union's Bound Tariff Schedule

Item	Description	Bound Ad Valorem
2401.10.29	Flue-cured Virginia type and Light Air-cured	18.4;Minimum 22 Ecu/100 kg net Maximum 24 Ecu/100 kg net
2401.10.69	Other	11.2;Minimum 22 Ecu/100 kg net Maximum 56 Ecu/100 kg net
2401.20.29	Flue-cured Virginia type and Light air-cured	18.4;Minimum 22 Ecu/100 kg net Maximum 24 Ecu/100 kg net
2401.20.69	Other	11.2;Minimum 22 Ecu/100 kg net Maximum 56 Ecu/100 kg net
2401.30.00	Tobacco Refuse	11.2;Minimum 22 Ecu/100 kg net Maximum 56 Ecu/100 kg net
2402.10.00	Cigars, Cheroots, Cigarillos and Cigarettes	26
2402.20.10	Cigarettes Containing Cloves	10
2402.20.20	Other	57.6
2402.90.00	Other	57.6
2403.10.00	Smoking Tobacco, whether or not Containing	74.9
2403.91.00	Homogenized or Reconstituted Tobacco	16.6
2403.99.10	Chewing Tobacco and Snuff	41.6
2403.99.90	Other	16.6

# Generalized System of Preferences

HS code	Description	Brazil	SPGA	SPGE	SPGL
2401.10.00	Flue-cured Virginia type	19.8 Minimum 24 Ecu/100 kg Maximum 25,9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 Maximum 23.8 Ecu/100 kg
2401.10.20	Light Air-cured Burley Type	19.8 Minimum 24 Ecu/100 kg Maximum 25,9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 Maximum 23.8 Ecu/100 kg
2401.10.30	Light Air-cured Maryland type	14.5 Minimum 17.5 Ecu/100 kg Maximum 18.9 Ecu/100 kg	0	0	7.5 Minimum 9.1 Ecu/100 kg Maximum 9.8 Ecu/100 kg
2401.10.41	Fire-cured Tobacco	19.8 Minimum 24 Ecu/100 kg Maximum 25,9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 Maximum 23.8 Ecu/100 kg
2401.10.4190	Other	19.8 Minimum 24 Ecu/100 kg Maximum 25,9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 Maximum 23.8 Ecu/100 kg
2401.10.49	Fire-cured Tobacco for Use for Wrapper or Binder	14.5 Minimum 17.5 Ecu/100 kg Maximum 18.9 Ecu/100 kg	0	0	7.5 Minimum 9.1 Ecu/100 kg Maximum 9.8 Ecu/100 kg
2401.10.50	Light Air-cured Tobacco for Use in Wrapper or Binder	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100 kg	0	0	4.5 Minimum 9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg
2401.10.60.10	Sun-cured Oriental Tobacco	12.1 Minimum 24 Ecu/100 kg Maximum 60.1 Ecu/100 kg	0	0	11.1 Minimum 22.1 Ecu/100 kg Maximum 55.2 Ecu/100 kg
2401.10.70	Dark Air-cured Tobacco	11.1 Minimum 22.1 Ecu/100 kg Maximum 55.2	0	0	9.1 Minimum 18.2 Ecu/100 Maximum 45.5 Ecu/100 kg
2401.10.80	Flue-cured tobacco	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100 kg	0	0	9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg

2401.10.90	Flue-cured tobacco for use as wrapper or binder	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100 kg	0	0	9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg
2401.20.10	Flue-cured Virginia type	19.8 Minimum 24 Ecu/100 kg Maximum 25.9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 kg Maximum 23.8 Ecu/100 kg
2401.20.20	Light Air-cured Burley	19.8 Minimum 24 Ecu/100 kg Maximum 25.9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100kg Maximum 23.8 Ecu/100
2401.20.30	Light Air-cured Maryland	14.5 Minimum 17.5 Ecu/100 kg Maximum 18.9 Ecu/100 kg	0	0	7.5 Minimum 9.1 Ecu/100 kg Maximum 9.8 Ecu/kg
2401.20.41	Fire-cured Tobacco	19.8 Minimum 24 Ecu/100 kg Maximum 25.9 Ecu/100 kg	0	0	18.2 Minimum 22.1 Ecu/100 kg Maximum 23.8 Ecu/100 kg
2401.20.49	Fire-cured Tobacco for Use in Wrapper or Binder	14.5 Minimum 17.5 Ecu/100 kg Maximum 18.9 Ecu/100 kg	0	0	7.5 Minimum 9.1 Ecu/100 kg Maximum 9.8 Ecu/100 kg
2401.20.50	Light Air-cured Tobacco	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100 kg	0	0	4.5 Minimum 9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg
2401.20.6	Sun-cured Oriental Tobacco	12.1 Minimum 24 Ecu/100 kg Maximum 60.1 Ecu/100 kg	0	0	11.1 Minimum 22.1Ecu/100 kg Maximum 55.2 Ecu/100 kg
2401.20.70	Dark Air-cured Tobacco	12.1 Minimum 24 Ecu/100 kg Maximum 60.1 Ecu/100 kg	0	0	11.1 Minimum 22.1Ecu/100 kg Maximum 55.2 Ecu/100 kg
2401.20.80	Flue-cured Tobacco	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100	0	0	4.5 Minimum 9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg
2401.20.90	Flue-cured Tobacco for Use in Wrapper or Binder	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100	0	0	4.5 Minimum 9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg

2401.30	Tobacco Refuse	8.8 Minimum 17.5 Ecu/100 kg Maximum 43.8 Ecu/100 kg	0	0	4.5 Minimum 9.1 Ecu/100 kg Maximum 22.7 Ecu/100 kg
2402.10.00	Cigars, Cheroots, and Cigarillos	29	0	0	15
2402.20.10	Cigarettes	53.8	0	0	44.3
2402.20.90	Other	67.3	0	0	55.4
2402.90.00	Other	67.3	0	0	55.4
2403.10.10	Smoking Tobacco	87.5	0	0	72.1
2403.10.90	Other	87.5	0	0	72.1
2403.91.00	Homogenized or Reconstituted Tobacco	19.4	0	0	16
2403.99.10	Chewing Tobacco and Snuff	48.6	0	0	40
2403.99.90	Other	19.4	0	0	16

GSP or the Generalized System of Preferences.  
SPGA is least developed countries benefitting from the Generalized System of Preferences.  
SPGE includes Bolivia, Columbia, Ecuador, Peru, Venezuela, Costa Rica, Guatemala, Honduras, Nicaragua, Panama, and El Salvador.  
SPGL includes countries benefitting from GSP minus the SPGA and SPGE.

## Discussion

The member states of the European Union established a community integrated tariff system (TARIC), in which duties are applied to imports from non-EU countries. Thus, trade within the EU is not subject to import duties. TARIC was established by the 1958 Treaty of Rome as part of the European Economic Community (EEC).

The EU tariff schedule is based on the Customs Cooperation Council Nomenclature (CCN), also referred to as the Harmonized System. It was introduced to provide a standard tariff classification regime for all products imported and exported throughout the world.

The EU extends varying preferential tariff treatment to imports from the African, Caribbean and Pacific developing countries under the Lome Convention. Tariff preferences are also extended to over 100 developing countries except China under the Generalized System of Preferences (GSP).

Reductions are limited to a quota and a certificate of authenticity delivered by a state recognized organization. Exemptions are extended to African, Caribbean and Pacific (ACP) and Overseas Countries and Territories (OCT) countries.

## Import Requirements and Restrictions

Raw tobacco from non-preferential suppliers is subject to an ad valorem duty of 21.5 percent for flue-cured Virginia type, light air-cured burley type, light air-cured Maryland type and fire-cured Kentucky type tobaccos. Other types of raw tobacco from non-preferential suppliers are subject to a duty of 13.1 percent. Cigarettes are charged an ad valorem duty of 79.2 percent, making non-preferential imports expensive.

The EU is unlikely to change this tariff discrimination between the raw product, which it needs, and the finished product, which it does not want from developed countries. Developing countries, such as the beneficiaries of the Lome Convention, and the GSP beneficiaries such as Brazil, are generally the major suppliers to the EU market.

The European Union is re-focusing how it grants generalized preferences. These preferences will be given to the poorest countries. The giving of preferences will be considered as a transitional measure. It will be used until the need is considered no longer to exist. In certain beneficiary countries granted generalized tariff preferences, the EU set a "graduation mechanism", which will gradually phase out the preferential margin in select agricultural sectors. Tobacco products originating in Brazil are subject to this "graduation mechanism". In other words, effective January 1, 1997, Brazil will receive half of the preferential margin that other GSP countries receive, and the preferential margin for Brazil will be phased out on January 1, 1999.

Though tariff schedules are harmonized within the EU, countries are allowed to set their own excise taxes. However, member countries have "harmonized" excise taxes on cigarettes at 57 percent of the retail price.

## Anti-smoking Measures

The EC Council set a standard anti-smoking norm for EU countries. However, each country is allowed some flexibility with the standard norms.

EC Ministers of Health limited cigarette tar levels to 15 mg and nicotine levels to 12 mg. Two mandatory health warnings are required, covering at least



4 percent of total pack surface area. Tar and nicotine levels are required to be printed on individual cigarette packs.

Specific labeling requirements for tobacco products proposed for EC member countries are outlined below:

(a) Tar and nicotine values shall be printed in the official language or languages of the consuming country, on the side of the packet or on a mobile part of the packet in clearly visible print on a contrasting background.

(b) All packaging units of tobacco products shall carry the following warning in the official language or languages of the consuming country on one of the two largest surfaces: "Tobacco seriously damages health".

(c) With regard to cigarette packets, the other large surface shall carry in the official language or languages of the consuming country a specific warning from a list of warnings drawn up by each country. This list must include the warnings "Smoking causes cancer" and "Smoking causes heart disease".

(d) The warnings used must appear in equal frequency on the packages.

(e) Warnings shall be printed in letters of minimum size of 3 mm and in such a way as to cover at least 2 percent of the of the total surface of the corresponding side of the package. These warnings shall be printed on two sides of the package, in bold print on contrasting background, in clear and legible type. The warnings shall not be printed in a place where they may be damaged when the packet is opened. They shall not be printed on the transparent wrapper or any external wrapper.

The EU intends to harmonize regulations concerning advertizing tobacco products. The EU draft law which has already passed the EU parliament includes a gradual elimination of any advertizing of tobacco products up to 2006.

## *Member States*

### **Austria**

#### Discussion

The entire tobacco and cigarette trade is in the hands of one company called "Tobaccoland". This company is affiliated with "Austria Tabak" which is the sole producer of tobacco products in Austria.

Austria, as an EU member since 1995 has to comply with EU regulations. According to these regulations, the maximum content of condensates (FTC tars) is 12 mg/cigarette. Advertizing is only permitted for cigarettes with a condensate content of less than 10 percent.

#### Taxes

The VAT on raw leaf tobacco is 10 percent and for processed tobacco and tobacco products 20 percent. The total tax (including 20 percent VAT) on cigarettes is around 70 percent.

#### Anti-smoking

Anti-smoking campaigns have faded out or are dormant. However, the Social Ministry initiated an anti-smoking campaign in schools which is supported by Austria Tobacco. The campaign includes posters, brochures, and videotapes.

There is no general smoking ban for high schools. Smoking in certain school areas depends on internal regulations.

Smoking in public offices is prohibited. Smoking in private companies is regulated by the worker protection law. It includes a regulation that non-smokers have to be protected from passive smoking.

Smoking is not permitted in public buses. Trains have smoker and non-smoker sections. Currently, smoking is prohibited in the Vienna subway system. The national airline carrier, Austrian Airlines, has smoker sections in the back parts of their planes on short range as well as long range flights.

Advertizing of tobacco products is prohibited on television and radio. Health warnings are required on cigarette packets.

### ***Belgium-Luxembourg:***

#### Anti-smoking

Current tobacco regulations require labeling. All tobacco products must bear the following statements: smoking causes cancer; smoking causes heart and vascular disease; smoking harms the health of your fellow man; and smoking causes fatal diseases.

The manufacturer is responsible for showing these warnings and the respective date of the Royal Decree. Cigarette packs must also indicate the nicotine and tar content expressed in milligrams; and cigars, cigarillos and smoking tobacco must bear a label stating that "smoking contains tar and nicotine".

As of January 1, 1991 publicity related to tobacco products may only show the tobacco products and its packaging. Slogans referring to a certain "lifestyle"

are no longer authorized.

All publicity related to tobacco and tobacco products must be cleared and approved by the Ministry of Public Health before use. Poster and billboard advertisement for tobacco products must state that "Tobacco is seriously harmful to your health". Publicity campaigns related to tobacco products have to be approved by the Secretary of State of the Ministry of Public Health who apparently gives priority to "health concerns" over the economic impact.

The sale of tobacco products by means of vending machines is prohibited except in places where tobacco may be purchased and consumed such as in cafes, restaurants, etc.

### ***Denmark***

#### Anti-smoking:

Anti-smoking activities include bans on smoking in public buildings, hospital waiting rooms, schools, and universities. Health warnings are required on all cigarette packages. There are tobacco advertising restrictions. Additionally, the government encourages the display of anti-smoking messages. Agreements are also in effect setting limits on the marketing of tobacco products. These limits require the industry to reduce tar and nicotine content of cigarettes and to refrain from associating or advertising tobacco with youth, success, or popularity.

### ***Finland***

#### Import Requirements and Restrictions

Finland follows EU regulations. Labeling is required in Finnish and Swedish.

#### Taxes

Excise duties are levied on manufactured tobacco, cigarettes, cigars and cigarillos, and smoking tobacco (defined as in the EC directive). In addition, a value-added tax of 22 percent is charged.

Taxes:

<b>Item</b>	<b>Excise Tax</b>	<b>Sales Tax (VAT)</b>
Cigarettes	50%+90FIM/1000p	22%
Cigars	22%	22%
Smoking Tobacco, RYO	50%+12FIM/kg	22%
Smoking Tobacco, Other	48%+12FIM/kg	22%

A minimum excise tax is levied on cigarettes and "roll your own" or RYO tobacco. This amounts to 90 percent of the excise duty on the product.

### Non-tariff barriers

The very strict Finnish law on advertising, promotion and labeling discourage the introduction of new imported brands of cigarette.

### Anti-smoking

The Tobacco Act of March 1, 1995 objective was to protect people from involuntary exposure to tobacco smoke at work and in public places and to prevent smoking by young people. It prohibits children under 18 years of age from buying cigarettes.

Direct tobacco advertising and sales promotion have been banned in Finland since 1978. Since March 1995, the tobacco law has banned indirect advertising and sales promotion.

The law is aimed at those selling tobacco. The law also allows communication between the cigarette manufacturer and the public concerning information on smoking related matters that are not of a commercial nature.

Finnair has developed its smoke-free flight policy to cover all flights except those to Japan as of March 30, 1997.

## **France**

### Anti-smoking:

A French law dated January 10, 1991 required that written space for the advertising of tobacco products in newspapers and magazines be reduced by 33 percent in 1991 and by 66 percent in 1992 from the average space for such publicity during the years 1974-1975 (i.e., during the two years preceding the first anti-smoking law of 1976). Effective January 1, 1993, the law prohibits all direct and indirect publicity for tobacco and tobacco products, except in retail tobacco shops. Smoking in public areas, including work places, restaurants, etc. will be prohibited, except in areas reserved specifically for smoking. (Meanwhile, the decree pertaining to smoking in public areas has not yet been issued).

## **Germany**

### Anti-smoking

Health warnings are required on all cigarettes sold in Germany and associated advertising material. The health warning is as follows: "The EC Health Ministers: Smoking endangers your health" In addition, cigarette packages must carry other health warnings on a rotational basis. Health warning labels are required to be clearly visible on the cigarette package. The tar and nicotine content must be printed on the narrow side of the package. Similar warnings are required for cigars.

## **Greece**

### Taxes

Cigarette taxes include a proportional tax of 53.86 percent of retail price, a value added tax (VAT) of 15.25 percent of retail price, and a fixed tax of

1091.25 Drachmas per 1,000 pieces. Taxes on cigars include a VAT of 15.25 percent of the retail price, and an excise tax of 25 percent of the retail price per kilogram. For smoking tobacco, a VAT of 15.25 percent is levied on the retail price along with an excise tax of 39 percent of the retail price.

#### Anti-smoking

Principal anti-smoking measures include a warning on cigarette packages that smoking is hazardous to health. Tobacco advertising is prohibited on radio and television. There are smoking restrictions in buses, planes, trains, hospitals, and public offices. In addition, there are public health announcements warning consumers of the hazards associated with smoking.

### ***Ireland***

#### Anti-smoking

Restrictions have been placed on both advertising and smoking in specific public places, such as state occupied offices and facilities as well as on public transport systems. Restaurants must identify non-smoking areas. And nonsmoking areas must occupy more than 50 percent of the seating area. There are also numerous restrictions on advertising of tobacco and tobacco products, which includes restrictions on event sponsorship by tobacco firms.

Excise duties and value added tax (VAT) on tobacco products as of January 1, 1998 are as follows:

#### **Ireland's Taxes**

<b>HS Code</b>	<b>Excise duty</b>	<b>VAT</b>
Cigarettes	US \$91 per 1000 pieces plus 17.53 percent of retail price	21 percent
Cigars (per kg)	US \$139	21 percent
Cigarette Tobacco (per kg)	US \$118	21 percent
Smoking Tobacco (per kg)	US \$97	21 percent

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### ***Netherlands***

#### Anti-smoking

Smoking is restricted in some public places. Anti-smoking regulations require health warnings to cover 15 percent of billboards and posters while warnings in print media must cover 10 percent. Advertisements cannot link smoking with sports. People under 25 are not allowed to appear in cigarette advertisements. Free distribution of cigarettes is banned. Health warnings along with tar and nicotine levels are required on cigarette packages. There are no labeling requirements for cigars. Tar and nicotine levels are not required on shag tobacco.

## **Norway**

### Taxes

Cigarettes less than 90 mm are taxed 10.4 percent as of 1997. Larger cigarettes are taxed double.

### Anti-smoking regulations

In compliance with European Economic Area (EEA) directives, Norwegian tobacco packaging now conform to EU norms. As of January 1, 1996, the maximum tar content is 15 mg per cigarette.

The legal age for selling and purchasing tobacco is 18. Sales from vending machines are prohibited. Smoking is prohibited in public places and work places. And smoking is prohibited in restaurants.

## **Portugal**

### Discussion

The Portuguese tobacco consumption tax regime is harmonized with the EU. Portugal's tobacco tax incidence ranks among the highest in Europe. The application of Decree-Law 197/97, dated August 2, 1997, lowered the weight of the ad valorem tax element in the total tax. This Decree resulted in a reduced price gap between retail prices of higher-priced imported cigarette brands and cheaper locally produced ones. This law appeased the manufactured tobacco traders, who complained that the national taxation regime was discriminatory towards imported cigarette brands.

The Portuguese trade regime for tobacco products is fully harmonized with the EU. Portugal applies the EU tariff schedule for tobacco imports from non-EU origins. As in the rest of the EU, there are no non-tariff barriers to trade.

### Portuguese Taxes

<b>Item</b>	<b>Ad valorem</b>	<b>VAT</b>	<b>Specific Tax</b>
Cigarettes	40%	14.53% on sale price	4,400 PE/1,000 units
Roll Your Own and Pipe Tobacco	30% on sale price	14.53% on sale price	
Cheroots and Cigarillos	26.21% on sale price	14.53%	

### Anti-smoking Legislation

Places where smoking is not allowed:

- Health-care units such as hospitals, clinics, health centers, doctors offices including waiting rooms, ambulances, first aid stations, and pharmacies.
- teaching institutions including classrooms; and
- closed public areas such as libraries, museums, closed sporting areas, and theater halls.

In places above, tobacco can be allowed in areas designated for smokers. However, these designated areas cannot be frequented by individuals under 16 years old.

#### Smoking Regulations for Public Transportation

- Smoking is prohibited in public buses, trains, and ships with routes of less than one hour. When bus routes are more than one hour in duration, the last three rows may be designated as smoking. In trains, where the trip duration is longer than one hour, individual compartments, carriages and parts of carriages can be assigned to smoking passengers.
- In ships assigned to routes of more than one hour, smoking will only be allowed on deck, regardless of
- the restrictions stated in the regulations issued by transport companies or by port authorities.

There is no specific anti-smoking law for planes, but the national airway company has established non-smoking flights, and has non-smoking areas on other flights.

#### Advertising and Publicity

- All television and radio publicity is prohibited.
- It is prohibited to display names, labels or emblems of a tobacco-based product on objects for consumption which are not for the direct use of tobacco.

#### Labeling and Warning

- All packages of tobacco products for marketing on national territory must display health hazard warnings;
- Cigarette packages must also indicate the level of nicotine and tar in each cigarette

#### Tar and Nicotine Levels

Cigarettes sold in Portugal are subject to a tar limit of 12 mg/cigarette and 1.3 mg/cigarette nicotine level which are lower than EU norms.

#### Warning Statements on Tobacco Packages

##### A) General Warning for all tobacco product packages:

- "Seriously harmful to health". Warning is in Portuguese and must be placed in an indelible and clear manner on most visible package side.

##### B) Warnings for Cigarettes or "Roll Your Own":

- In addition to general warnings as in A above, cigarette or "roll your

own" packages must show specific warnings on the other large package side. Specific warnings must alternate in packages so that they show with an equivalent frequency in packages sold with a 5% tolerance.

#### Specific Warnings for Cigarette or "Roll Your Own" Packages

- Smoking causes cancer;
- Smoking causes cardio-vascular diseases;
- Smoking causes deadly diseases;
- Protect children, do not force them to inhale your smoke;
- Smoke can kill; and
- Smokers die prematurely.

#### Specific Warnings for other Tobacco Packages

In the case of different tobacco products, packages must show, in addition to the General Warning indicated in (A) as above specific warnings drawn from the list below. Warnings must alternate, taking into account possible costs associated with the products speed of circulation.

#### Specific Warnings for other Tobacco Packages

- Smoking causes cancer;
- Smoking causes cardiovascular diseases;
- Smoking is harmful to the health of others; and
- Smoking causes deadly diseases.

#### Specific Warnings to be used for Smokeless Tobacco

In addition to the general warning as in (A) as above, the specific "Causes cancer" warning must be utilized.

### ***Spain***

Spanish taxes are as follows:

Flue-Cured Virginia type, Light Air-Cured Burley type, Light Air-Cured Maryland type, Fire-Cured Kentucky type and "other" imports from third world countries are levied a 20.7-percent ad valorem tax (minimum 25 ECU per 100 kg/net, Maximum 27 ECU per 100 kg/net).

Light Air-Cured, Sun-Cured (oriental), Dark Air-Cured, Flue-Cured and "other" are levied a 12.6-percent ad valorem tax (minimum 25 ECU per 100 kg/net, maximum 63 ECU per 100 kg/net).

Taxes on cigarettes account for about 73 percent of retail prices. They include a 54-percent sales tax plus a 15.25-percent VAT plus an additional tax of 10 pesetas/box.

#### Anti-Smoking

Smoking is prohibited in the following locations:

- Public transportation vehicles where passengers without seats are admitted. In vehicles where only seated passengers are admitted, however, less than 50 percent of the seating capacity will be reserved for smokers;
- School buses or vehicles wholly or partially used for the transportation



- of young people less than 16 and for sick people;
- Working areas where pregnant women are at work;
- Areas frequented by people under 16 such as education centers, theaters, sports arenas, etc;
- Areas open to the public in government offices;
- Premises where food products are processed and sold, except where they are consumed;
- Elevators; and
- On domestic flights of less than 90 minutes.

The sale of tobacco products is prohibited in health, educational, and social centers for children and the young. Tobacco vending machines are authorized only in enclosed places provided they display warnings to the effect that tobacco is injurious to health. The sale of tobacco products to minors under 16 is prohibited. Minors under 16 are not authorized to use tobacco vending machines.

Three violation categories: minor, serious, and very serious are distinguished with monetary fines. For example, misrepresentation of tar and nicotine contents and negligence to print health warnings or tar and nicotine readings on packages constitute very serious violations. The sale to minors of tobacco products and in general the infringement of the provision listed above are considered serious violations. All other forms of infringement are considered minor violations.

Additional agreements have also been made by the Spanish tobacco monopoly and foreign cigarette licensees to limit current advertising expenditures to 10 billion pesetas, to eliminate tobacco advertising from TV, and to freeze current promotional efforts in other media to levels currently in effect. Indirect tobacco publicity on television is prohibited.

## ***Sweden***

### Discussion

Sweden is exempt from the EU ban on moist snuff. Sweden is allowed to produce snuff for domestic consumption but is not permitted to export within the EU.

### Anti-smoking

The Tobacco Act restricts smoking in schools, hospitals, workplaces and public premises in general. It also includes an almost total ban on tobacco advertising.

Tobacco products can not be sold to persons under the age of eighteen. Health warnings are mandatory for all tobacco packages. In addition, cigarette packages must carry a declaration of tar and nicotine content. There is a tar content of 12 mg per cigarette.

Smoking on Scandinavian Airlines is prohibited as of September 1, 1997.

## Taxes

Taxes on tobacco products are as follows:

### **Swedish Taxes**

Cigars, cigarillos	56 ore/piece
Cigarettes	20 ore/piece plus 39.2 %
Smoking Tobacco	630.00 krona per kg
Snuff	123.00 krona per kg
Chewing Tobacco	201.00 krona per kg

Tobacco rolls that can easily be put into paper are defined as cigarettes, cigarettes of 9-18 cm (excluding filter) are considered as two cigarettes. Each 9 cm in excess of the length of 18 cm are considered as a cigarette unit.

An additional 25 percent value-added tax is levied by the Customs Administration at the time of import.

### ***United Kingdom***

UK's tobacco product duty rates are as follows:

Cigarettes:

Specific tax (per 1000).....65.97 British Pound Sterling  
Ad valorem tax.....21 percent of the retail price  
Value-added tax.....17.5 percent

Other tobacco products:

Hand rolling per kg.....87.74 British Pound Sterling  
Cigars per kg.....98.02 British Pound Sterling  
Pipe and chewing per kg....43.10 British Pound Sterling

### Anti-smoking

There is a requirement that all tobacco packs carry health warnings. In advertisements, a warning must replace those on the packs and must be rotated. Coupons and package inserts must also carry warnings. Cigarette packs which originate in other EU member states are valid in the UK.

Almost all anti-smoking measures in the UK are on a voluntary basis worked out between the government's Department of Health, and the Tobacco Advisory Council (TAC) which represents the tobacco industry, advertising companies, and promotion of sporting and artistic events. The only statutory measure in

the advertising and publicity area relates to the advertising of cigarettes and roll-your-own tobacco on television. There is a ban on cigarette and roll-your-own television advertising of all kinds under the Independent Broadcasting Act. Cinema screen advertising of cigarettes does not take place due to voluntary agreements. The above agreements do not apply to cigars or pipe tobacco which are widely advertised on television. By voluntary agreement, all poster, press, and similar static advertising of cigarettes and roll-your-own tobacco carries a health warning. A general feature of the agreed voluntary advertising code is that cigarette smoking should not be associated with sex appeal, young people, social or athletic prowess, or similar associations.

### **African, Caribbean, and Pacific Countries (ACP)**

Angola	Eritrea	Mozambique	Tanzania
Antigua & Barbuda	Ethiopia	Namibia	Togo
Bahamas	Fiji	Niger	Trinidad & Tobago
Barbados	Gabon	Nigeria	Tuvalu
Belize	Gambia	Papua New Guinea	Uganda
Benin	Ghana	Rwanda	Western Samoa
Botswana	Grenada	St. Kitts and Nevis	Vanuatu
Burkina Faso	Guinea Bissau	St. Lucia	Zaire
Burundi	Guyana	St. Vincent and the Grenadines	Zambia
Cameroon	Haiti	Sao Tome & Principe	Zimbabwe
Cape Verde	Jamaica	Senegal	
Central African Republic	Kenya	Seychelles	
Chad	Lesotho	Sierra Leone	
Comoros	Liberia	Solomon Islands	
Congo	Madagascar	Somalia	
Cote D'Ivoire	Malawi	Sudan	
Djibouti	Mali	Suriname	
Dominican Republic	Mauritania	Sudan	
Equatorial Guinea	Mauritius	Swaziland	

**Generalized System of Preferences (GSP), Least-Developed Countries**

Sudan	Angola	Myanmar
Mauritania	Ethiopia	Laos
Mali	Eritrea	Cambodia (Kampuchea)
Burkina Faso	Djibouti	Salomon Islands
Niger	Somalia	Tuvalu
Chad	Uganda	Kiribati
Cape Verde	Tanzania	Vanuatu
Gambia	Mozambique	Tonga
Guinea-Bissau	Madagascar	Western Samoa
Guinea	Comores	Colombia
Sierra Leone	Zambia	Venezuela
Liberia	Botswana	Ecuador
Togo	Lesotho	Peru
Benin	Haiti	Bolivia
Central African Republic	Yemen	Guatemala
Equatorial Guinea	Afghanistan	Honduras
Sao Tome and Principe	Bangladesh	El Salvador
Zaire	Maldives	Nicaragua
Rwanda	Nepal	Costa Rica
Burundi	Bhutan	Panama

# **Generalized System of Preferences (GSP), Independent Countries**

Albania	Costa Rica	Singapore	El Salvador
Ukraine	Panama	Philippines	Uruguay
Belarus	Cuba	Mongolia	Argentina
Moldova	Saint Kitts and Nevis	China	Cyprus
Russia	Haiti	South Korea	Lebanon
Georgia	Bahamas	Papua New Guinea	Syria
Armenia	Dominican Republic	Nauru	Iraq
Azerbaijan	Antigua and Barbuda	Solomon Islands	Iran
Kazakhstan	Dominican	Tuvalu	Jordan
Turkmenistan	Jamaica	Kiribati	Saudi Arabia
Uzbekistan	St. Lucia	Niger	Kuwait
Tajikistan	St. Vincent	Chad	Bahrain
Kyrgyzstan	Barbados	Cape Verde	Qatar
Slovenia	Trinidad and Tobago	Senegal	United Arab Emirates
Croatia	Grenada	Gambia	Oman
Bosnia and Herzegovina	Suriname	Guinea-Bissau	Yemen
Morocco	Ecuador	Guinea	Fiji
Algeria	Peru	Sierra Leone	Vanuatu
Tunisia	Brazil	Liberia	Tonga
Libya	Chile	Cote D'Ivoire	Western Samoa
Egypt	Bolivia	Ghana	Federated States of Micronesia
Sudan	Paraguay	Togo	Marshall Island
Mauritania	Afghanistan	Benin	Palau
Mozambique	Pakistan	Nigeria	
Mali	India	Cameroon	
Burkina Faso	Bangladesh	Comoros	
Togo	Maldives	Zambia	

Benin	Sri Lanka	Zimbabwe
Nigeria	Nepal	Malawi
Cameroon	Bhutan	South Africa
Central African Republic	Myanmar	Namibia
Equatorial Guinea	Thailand	Botswana
Sao Tome and Principe	Laos	Swaziland
Gabon	Vietnam	Lesotho
Congo	Cambodia	Mexico
Zaire	Indonesia	Guatemala
Rwanda	Malaysia	Belize
Burundi	Brunei	Honduras

### **Overseas Countries and Territories (OCT)**

1. Overseas countries of the Kingdom of the Netherlands: the Netherlands Antilles (Aruba, Bonaire, Curacao, Sint Maarten, Saba, Sint Eustatius).
2. Overseas territories of the French Republic: New Caledonia and dependencies, Wallis and Futuna Islands, French Polynesia, French Southern and Antarctic Territories.
3. Territorial collectively of the French Republic: Mayotte.
4. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland: Associated States in the Caribbean (Anguilla, St. Kitts-Nevis), Cayman Islands, Falkland Islands and Dependencies, Turks and Caicos Islands, British Virgin Islands, Montserrat, Pitcairn Islands, Saint Helena and Dependencies, British Antarctic Territory, British Indian Ocean Territory.
4. Countries having special relations with the United Kingdom of Great Britain and Northern Ireland: Brunei.